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KOSOVO NEW OPPORTUNITIES FOR AGRICULTURE PROGRAM

QUARTERLY REPORT
JANUARY - MARCH 2012

APRIL 2012

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ACRONYMS AND ABBREVIATIONS

ACGP	Agricultural Credit Guarantee Program
AES	Agricultural Extension Service
AFAS	Association for Finance and Accounting Services
AWP	Annual Work Plan
B2B	Business to Business
BEO	Bureau Environmental Office
CAD	Computer Aided Drafting
CoP	Chief of Party
DCA	Development Credit Agency
DCoP	Deputy Chief of Party
EGAT	Economic Growth and Trade
EP	Environmental Protection
ER	Environmental Review
EU	European Union
F&V	Fruit and Vegetables
FtF	Farmer-to-Farmer
FY	Financial Year
GoK	Government of Kosovo
Ha	Hectare
HACCP	Hazard Analysis and Critical Control Points
IADK	Initiative for Agriculture Development in Kosovo
IC-K	Intercooperation Kosovo
IIF	Innovation and Incentive Fund
IPM	Integrated Pest Management
IPA	Instrument of Pre-Accession Assistance
ISO	International Organization for Standardization

MAFRD	Ministry of Agriculture, Forests and Rural development
M&E	Monitoring and Evaluation
MSDS	Material Safety Data Sheet
MSTA	MAFRD Senior Technical Advisor
NGO	Non-Governmental Organization
NOA	New Opportunities for Agriculture
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PMP	Performance Monitoring Plan
PPE	Personal Protective Equipment
RDC	Rural Development Center
RFA	Request for Approval
RFP	Request for Proposal
RFQ	Request for Quotation
RTK	Radio Television of Kosovo
SME	Small and Medium Sized Enterprise
SAPD	Stabilization Association Process Dialogue
SPAS	Simplified Pre-Award Survey
STTA	Short Term Technical Advisor
SUP	Safe Use Practices
TA	Technical Assistance
TOR	Terms of Reference
US	United States
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
VC	Value Chain

EXECUTIVE SUMMARY

In the second quarter much of the team's activity concerned preparing both the growing grantees and the supervising grantees for implementing the grants they had been awarded in the first quarter. Grants were for participation in the Program's trials of new varieties of fruits and vegetables designed to further the Program's second specific objective, "Agricultural products diversified and increased". Grants had been awarded for the growing of new varieties of apples, table grapes, strawberries and raspberries; for introducing trial plots of cultivated blueberries; and for extending the trials of different varieties of gherkins and lettuce for a second year. In this quarter, trainings were provided in Integrated Pest Management [IPM], and in the importance of following the recommendations of the PERSUAP report. Soil analyses were demanded from all the grantees before grants were confirmed and recommendations made, where appropriate, for enhancing the soil conditions. As weather conditions allowed, the program supervised the preparation of the trial plots to ensure they were ready for receiving, and immediate planting, of the imported materials.

In March, the first of the imported plants – blueberries from the US - arrived in Kosovo, and were distributed to the four growing grantees. In the last week of the quarter, apple and table grape rootstocks arrived from Italy and were being distributed to the six apple grantees and the four table grape grantees. Strawberries and raspberries ordered from the UK were shipped at the end of March and had an expected arrival date of April 11. These will be distributed to 13 raspberry growers and 12 strawberry growers. All these imports represent an investment by USAID and the American people of more than \$400,000.

The subcontracts to a local business service provider, Rural Development Center, for supervising the trial plantings of new varieties of lettuce and gherkins, which had been successfully executed in 2011, were extended for another season. This year there are 12 lettuce producers and 23 gherkin producers being supervised. Last year, the emphasis was on introducing new varieties of lettuce to provide a longer sales season; and for gherkins on increasing the yields. Gherkin yields had increased over past years' by as much as 20% and similar gains are expected this season.

The asparagus seedlings, which had been winterized at three nurseries over the winter, had all developed good crowns and 90,000 were prepared for distribution to growing grantees. Responses to an RfA, soliciting applications to be a grower, were received in late March and evaluations were in progress at quarter end. Seven applications were received, and the Program expects to award the crowns, as In-Kind grants, to six farmers [total 3.8 ha] with the right soil conditions and willingness to invest in a product that will not provide revenue for another two to three years. The Program also ordered another 240,000 seeds in February to develop into seedlings for planting 8 ha in 2013.

The plans to introduce new anti-hail technology into apple orchards moved ahead after resolution of several issues concerning the sourcing of such materials. One system, costing under \$50,000, was purchased from Serbia under the SEED waiver [which is due to expire on May 8, 2012]; and a waiver was obtained to purchase two systems each costing more than \$50,000 from Austria and Italy. It was also resolved that such purchases could be bought using monies allocated for the Innovation and Incentive Fund. In addition, an order for a new system of Vee-style trellising, to support the imported table grapes, was shipped from the US with an expected arrival of late April. This investment was for \$87,000.

Attention has been given in this past quarter to preparing growers and supervising grantees for introducing IPM at the grantees' farms. Separate classroom trainings have been delivered to growers of the main crops being managed by the Program – apples, table grapes, raspberries, strawberries, lettuce and gherkins, and manuals have been written for each crop. These trainings are being followed in the next quarter by in-field trainings to demonstrate monitoring, sampling and pest identification techniques. In February, Dr. Alan Schroeder, the author of the Program's PERSUAP report, gave three days of training on the Safe Use of

Pesticides and Environmental Protection to a group including representatives of the supervising grantees, the MAFRD Extension Service and spraying service providers. Training covered topics on the regulatory and certification environments, and guidelines of what to do, and when, for each crop. The training also addressed Labels and Material Safety Data Sheets [MSDSs] for pesticides which are used mostly by farmers growing the Program's crops.

In the first year attention was given to the production of crops – new varieties, new crops and improved production practices. This focus was to ensure that Kosovo increased its agricultural productivity and maximized its productive capabilities. In the past quarter much more focus began to be placed on the processing of such crops. The introduction of Hazard Analysis and Critical Control Points [HACCP] is seen as furthering two objectives of the Program: to improve food safety and quality and to diversify agricultural products. There is much scope for Kosovo to process more of the products it grows within Kosovo, thereby reducing imports and expanding employment in the sector, but for these products to be sold in European markets they must conform to internationally recognized food safety standards.

A four-day training on HACCP food safety standards was organized for thirteen fruit and vegetables agro-processors. Unfortunately in Kosovo there's limited knowledge regarding the procedures for implementing these standards; therefore capacity building in this field is an important goal of the Program. The training was divided into two parts - theoretical and practical. Initially, participants had the chance to get acquainted theoretically with food safety standards requirements and critical control points, while afterwards they continued with a field visit to "Eurofruti" Company. The benefit of this training was that by the end, participants had become aware regarding Good Manufacturing Practices (GMP), Good Hygiene Practices (GHP) and other details that are important for the proper implementation of HACCP.

"Eurofruti" is a company that the Program started working with in June last year. After nine months of technical advice, and assistance in changing its processing infrastructure, the company received HACCP certification at the end of March. This nine month period is indicative of how long the conversion of Kosovo's processors to certified operators will take. But there are insufficient numbers of trained personnel in Kosovo to effect this transformation. Engaging women more in this area would be beneficial for the success of the sector. The Program is now looking at options for meeting this need. At the same time, it is providing advice to processors – Abi & Elif, Koral, As Promet - who now recognize what they must do and are prepared to invest in improvements, but who need a roadmap for the necessary work which lies ahead.

Significant attention was given to developing linkages between producers, collection centers and processors in the quarter, and to promoting the use of written contracts. This is one of the goals of the Program, to link products and farmers to markets. 59 contracts were signed between parties concerned with the supply of gherkins, raspberries and apples. A linkages workshop for the actors of the gherkins value chain took place in March. It was the first event where processors and collection centers/producers have had a chance to have dialogue for improving sales/purchases of gherkins, thus improving collaboration. Two rounds of meetings were organized with the biggest strawberry producers and a potential export trader to follow up on the opportunity to export strawberries to Albania which had been identified in the Regional Market Assessment conducted last August. Four producers emerged as willing to conduct trial export shipments to Albania despite the fact that harvest season is a bit late this year due to severe winter weather.

The Program has worked with MAFRD to promote the Ministry's "From our land to our table" campaign – a campaign to promote Kosovo consumers' awareness of locally produced foods. The Program funded a TV commercial promoting agriculture in Kosovo which ran throughout the quarter; its aim was to jump-start the campaign. The Program has designed and supported the fabrication of shelves dedicated for displaying local foods produced by Kosovo's leading fruit and vegetable food processors. The owners of Kosovo's leading supermarket chains have generously agreed to support the Ministry by placing the shelves in 24 branches of their biggest supermarkets prominently displaying domestic products. An event to celebrate the launch of this phase of the campaign, and for USAID, MAFRD and the Program to thank the representatives of supermarkets and processors for their contributions in promoting local products is planned for April 27.

The partnership with the Radio Television of Kosovo, and their agricultural TV program “Bujku” resulted in segments for six shows being produced. Feedback has been mixed, partly because the Program does not have control over the editing of the recordings. But in general, the subject matter has been praised as being of more direct interest to the farmers, and the Program’s website has recorded significant increases in “hits” over the quarter, particularly in the days immediately following broadcasts of the “Bujku” segments.

The Program organized three Study Tours during the quarter. In early February, three Program staff and 13 farmers and processors attended the Fruit Logistica Fair in Berlin. The purpose of the trip was to collect information about fresh fruit and vegetables market trends, to identify market opportunities and to collect market information regarding new technologies related to: sorting, grading packaging, labeling, pricing, all information that can improve positions of fruit and vegetable producers in Kosovo. In late February, three program staff and 16 representatives of the food processing sector attended the Food/Food Tech Fair in Bursa, Turkey. The group gained new knowledge and ideas for their processing/investment opportunities. In addition to visiting the fair, the group visited five of the larger equipment manufacturers which they found particularly interesting and useful. Finally, in March, two Program staff and two future blueberry growers visited Serbia to attend field days and participate in an STTA debrief to USAID by the AgBiz Program in Serbia on blueberry crop management and marketing.

The grant to a local business service provider to match students with an agricultural background with financial course trainings was completed. Three months of classroom training in subjects of accounting and financial management to 29 of the best graduates from the Agriculture Faculty of University of Prishtina was provided. All the students were then placed with banks in internships which will last for 2 months. It is hoped that this course will lead to students being employed by banks and/or agribusinesses and to more informed communication between the two. The Program has already identified a need for some of the students to work with the supervising grantees in establishing costs of production for the targeted crops.

The Senior Technical Advisor to the MAFRD suffered from a medical condition which necessitated his absence from Kosovo for the four weeks, February 13 to March 14, and which included an evacuation back to the USA. As a result, some activities were delayed. However, progress was made in establishing and staffing an Economic Analysis Unit at the Ministry. The Program subcontracted with an expert from the Dutch General Inspection Service to recommend actions for realigning the seven agricultural institutes in Kosovo more closely to the MAFRD’s current extension strategy and priorities, and for reorganizing the four laboratories under the control of MAFRD, and integrating them with other laboratories. Another STTA was funded by the Program to complete a Training Needs Assessment for the MAFRD’s Agricultural Extension Service. Many coordination meetings were held by the Ministry with several agriculture donor programs.

In January the STTA, Mr. Ken Smarzik, accompanied the two USAID/EGAT/DCA representatives and an advisor from the Ministry to present initial guarantee conditions (term sheet items) to the participating banks in the proposed Agricultural Credit Guarantee program [ACGP]. Specifically, the visits were to ascertain the appetite for the guarantee, explain the DCA conditions that would accompany the guarantee, and continue to underscore the importance of reducing the interest rate, in particular for the smaller borrowers, where the cost of borrowing is at least four basis points higher than the average lending rate for 2011. The STTA, Ken Smarzik, will return to Kosovo for two weeks commencing April 16. The objective of this assignment is to conduct a feasibility assessment to determine whether a local credit guarantee facility can be successfully established and become self-sustainable.

In addition, a result of this trip was to provide MAFRD with the analytical basis for finalizing support from the Ministry of Finance; provide some guidelines on coordinating MAFRD’s direct investment grants program and the lending under the ACGP, and provide some indicators to measure the progress of the Agricultural Credit Guarantee program [ACGP] towards achieving the goals of additionality and more competitive interest rates for the sector.

1.0 ACCOMPLISHMENTS AGAINST GOALS

The Fiscal Year Two Annual Work Plan was issued to USAID in September 2011. The Activities to which the Program committed were summarized in Annex “A”, an Activities Table, and in Annex “B”, a Schedule for Completion. This Quarterly Report will address all the activities which were scheduled for completion in the period January to March 2012. It will provide a comparison of actual accomplishments with the targets established for the period, and where applicable, it will provide reasons why established goals were not met. The activities reference numbers cited below are those used in the Annual Work Plan. The activities are grouped as summarized in the Activities Table, Annex “A” of the Work Plan.

1.1 VALUE CHAINS DEVELOPMENT

Apples

Ap-10-2012 *Organize and co-sponsor the participation of traders and producers of apples in Fruit Logistica trade show in Berlin*

This was accomplished. Three NOA staff and 15 representatives from client companies attended the trade show in Berlin, February 8-11. There were 4 apple producers in the group.

The following conclusions arose from the trip, and apply to the other value chains represented at Fruit Logistica: One, the Program should consider starting preparation of an exhibition booth for groups of Kosovo fruit and vegetable producers and processors at some of the leading international fairs; and two, there were several large companies exhibiting, with big operations and high tech equipment, which are ahead of Kosovo horticulture sector – so, in future, support for visits to fairs should be directed at Kosovo’s larger companies. For this reason, several participants said that regional fairs in Turkey, Bulgaria or Serbia are more appropriate for their capacities.

Table grapes

TG-2-2012 *Order Vee Style trellising to support planting of table grapes in 3 ha. and deliver to field*

The orchards of the four growing grantees were surveyed by a Kosovo surveying company, and the plot plans sent with an RFQ to three US suppliers of Vee Style Trellising. Based on revised spacing between rows to suit the new style of trellising, the plants ordered will now cover 6.2 ha. In addition, the Program ordered 15,200 plastic grow tubes 36” tall to protect the young vines in their first year. An order was placed with A&P Structures in Visalia, California, for \$88,657, shipping excluded. The components have been shipped in four containers to arrive in Kosovo early April.

TG-9-2012 *Organize a Seminar on table grape cultivation*

The seminar was held, after many delays owing to inability to find a suitable/available consultant, on February 16. Dr. Adamo Rombola, from Bologna University, provided Train-the-Trainers trainings in the field [despite several centimeters of snow] in transforming the existing vertical trellis system into a horizontal double T system in order to increase yields and marketable quality; and on winter pruning of the single Guyot method to avoid major pests and disease and improve canopy management. 20 demo plots were established

by the seven trainers. A one day symposium was held on Feb. 16 to share the new cultural practices with table grape growers and Rahovec grape institute. There was a large turnout of 118 growers, MAFRD, input suppliers and agriculture extension agents from Rahovec grape institute as well as other interested parties. This was the largest attended event held to date by NOA; many farmers are interested in increasing yields and improving marketable quality of table grapes.

TG-8-2012 Facilitate participation of traders and producers of table grapes in Fruit Logistica trade show in Berlin

This was accomplished. Three NOA staff and 15 representatives from client companies attended the trade show in Berlin, February 8- 11. There were 2 table grape growers in the group.

Strawberries

St-8-2012 Organize meetings between Albanian Importers and potential Kosovar Exporters.

Ten strawberry producers and a trader participated in the meeting organized by Program on March 14 to discuss sector issues, potential exports to Albania and development of linkages between different actors in value chain. A second meeting was held on March 27 with interested farmers and one potential trader specifically interested in exporting to Albania. Four biggest producers agreed to collaborate. It was agreed that the next step will be to have a joint meeting with Albanian importers in early April.

St-9-2012 Support for strawberry lead farmers to attend the Fruit Logistica fresh produce trade show in Berlin

This was accomplished. Three NOA staff and 15 representatives from client companies attended the trade show in Berlin, February 8- 11. There were 2 strawberry growers/processors [and 1 raspberry grower] in the group.

Lettuce

L-5-2012 Use of IIF to purchase new processing equipment for pre-cooling lettuce.

RFQs were prepared and issued to suppliers in the US for an assortment of lettuce post-harvest equipment, all to extend the shelf life of fresh leafy vegetables. Equipment included: small scale vacuum, back flush and impulse seal machines; a small scale slush ice line; small scale fragmentary ice making equipment; and a small scale fragmentary ice storage bunker. Following evaluation of bids, orders were placed for a selection of machines to be issued as In-Kind Grants to one of the main lettuce growers with whom the Program has been working.

L-3-2012 FtF volunteer support with on-site technical assistance to growers during early lettuce production.

Following the successful assignment of Richard Brown in December, which was devoted more to opportunities in improving lettuce post-harvest practices, the Program decided to dispense with assistance specifically for early lettuce production. Instead, we decided to invite Mr. Brown back once the processing equipment referred to above has been delivered and is ready for installation [probably late June]. At this time, Mr. Brown could also comment on improved lettuce production practices. His visit would follow the lettuce Study Tour to Salinas, California, which is planned for mid June 2012.

Gherkins

CG-6-2012 *Organize "linkages" workshop with gherkin producers, processors, collection centers and wholesale buyers.*

The workshop was held on March 6 at Hotel Victory in Pristina with the objective to promote dialogue between actors of the gherkin value chain. Workshop focused on improving collaboration between producers and collection centers (demand side) and processors (supply side) thus establishing mechanisms for sales and purchases of gherkins. Over 30 people attended, including 9 farmers, 6 collection centers, 7 processors, 3 donor projects, a HACCP consultant, and representatives of MAFRD and Municipalities.

CG-8-2012 *Facilitate participation of traders and producers of gherkins in Fruit Logistica trade show in Berlin*

This was accomplished. Three NOA staff and 15 representatives from client companies attended the trade show in Berlin, February 8 - 11. There was 1 gherkin grower in the group [as well as 1 lettuce grower and a trader].

Asparagus

AS-1-2012 *Award grants [3] to farmers with up to 1 ha. to plant amounting to 3 ha. in total - Growing Grantees*

An RfA was issued for applications to receive and plant the asparagus crowns grown from seed in nurseries sown last summer. Seven applications were received and were being evaluated as the quarter closed. Three awards will be made in the first half of April. A significant criterion for award will be the quality of the soil in which the crowns will be planted.

AS-2-2012 *Order further 180,000 seeds for nurseries already determined and deliver to field.*

A total of 240,000 asparagus seeds were ordered from the same two US companies as last year for repeat trial sowings this spring. Because the seeds will be germinated earlier this year than last, the seedlings can be transplanted in the autumn and will not have to be winterized for planting in 2013.

AS-3-2012 *Award grant to implement initiatives AS-1 & AS-2 - Supervising Grantee*

This activity will be managed internally by the Vegetable Production Specialist.

As-5-2012 *Organize Study Tour to asparagus production centers in Spain for nurserymen and growers.*

A Study Tour has been organized this quarter for a group of two Program staff and five would-be asparagus growers to travel to Spain for the period May 6-12.

Saffron

Sa-11-2012 *Build linkages between potential buyers and saffron producers in Kosovo*

Details of Kosovo's production, including the analysis details that were obtained from laboratories in Morocco and France as well as the Peja Institute, were sent to potential buyers identified in the past year. However, meaningful linkages must wait until Kosovo has more significant production to offer buyers.

1.2 INCREASED AND AFFORDABLE FINANCE

AC-2-2012 *Develop consultants specializing in writing large scale grant applications.*

On February 27 & 28 & March 1, the DCoP put on a training course for writing large scale grant applications specifically addressing the recently announced EU Rural Grants Scheme funding of €5 million. 17 participants attended comprising counterpart companies, or their financial advisors, with whom the Program had previously identified investment needs and opportunities.

AC-5-2012 *Develop/implement a program for training farmers in modern financial management skills*

An RfA was issued in early March for proposals to provide training to our 68 growing grantees. None of the proposals met with approval from the Program. The best was too expensive, and the other two lacked the necessary understanding of the needs, and the experience with which to meet them. A revised approach is being discussed, recognizing that the MAFRD is setting up an Economic Analysis Unit and there could be an overlap of involvement. A final solution will be agreed before mid April.

AC-3-2012 *Train 25 of the best students from the Public Agricultural Faculty in basics of agricultural finance*

A grant was awarded to Association for Finance and Accounting Services (AFAS) to conduct the training. In addition to the 25 selected students, another four students asked to attend the course at their own expense. AFAS was not compensated for these four. By the end of the quarter, all five modules had been completed. Internship positions have been found by AFAS for all the students, all with Kosovo banks, for the following two months of the training. The Program has stipulated that whereas it was agreed that the two month internship could be regarded as further training in financial procedures and application of the course training, following these two months positions must be found for at least 50% of the students in Kosovo agribusinesses. To this end, Mr. Gashi will liaise with the Program to find suitable positions.

1.3 IMPROVED FOOD QUALITY AND SAFETY

QS-1-2012 *Engage an International HACCP consultant to deliver trainings and introduce food safety standards.*

A Macedonian STTA was engaged in early February to visit processing plants, evaluate their status and capabilities, and preparedness for starting the HACCP certification process. Unfortunately, the weather in the first half of February was so bad, that he was demobilized after two days and did not resume his assignment until early March. Since then he has completed his visits and conducted the planned four-day training on HACCP standard requirements and implementation procedures, for 13 participants selected by the Program. This course included a one day practical training involving visits with the participants to Program partner, “Eurofruti”, which, after assistance from the Program, received formal HACCP certification during March.

QS-4-2012 *Organize a Study Tour to a food processing trade show in Turkey to gain new knowledge on equipment needs.*

The Program supported a visit by ten clients to the Bursa Food - Food Tech Fair in Turkey – a large exhibition of both food and drink products, and basic food processing equipment. Six other clients joined the visit at their own expense. The Fair is a great occasion to see new trends in food processing of new and existing products. During this three day visit, participants were able also to visit five food processing equipment companies in Bursa region. It enabled the Kosovo processors to see many different types of processing equipment, gain ideas for improving the processing technology in their plants, gain knowledge for developing their equipment and processing investment plans and discuss trends in market demand for processed products. Information from this Study Tour will enable Kosovo processors to make new and

reasonable equipment investment plans and substitute their own products for imported products in the Kosovo marketplace, and then to gradually increase exports.

1.4 ENVIRONMENTAL COMPLIANCE

EC-2-2012 Set up an Environmental Committee and develop PMPs for crops with which the Program is working and providing TA.

A committee was set up involving: NOA's Environmental Compliance Specialist, representatives from the four supervising grantees/subcontractor [IADK, Agro-Drini, BioLab and RDC], and IPM specialists from IC-K and MAFRD. A general section of an IPM manual, applicable for all crops was produced in January; and crop-specific sections for each crop manual were produced in March. As a follow up to developing the general section, in late January, Dr. Fadil Musa, contracted by the Program, provided a course of five days, three hours per day, on General aspects of Integrated Pest Management [IPM], common to all crops. The IPM specialist at each of the six supervising grantees [for apples, table grapes, strawberries, raspberries, lettuce and gherkins] together with two students from each of the supervising grantees attended. Also invited were four spraying service providers with whom the Program expects to collaborate during the summer, and some Municipality representatives. A total of 18 participants were present each day.

EC-3-2012 Engage a STTA to plan, prepare materials for, and deliver a four day train-the-trainers workshop on SUP and EP

A three day training on Safe Use of Pesticides and Environmental Protection, was held from 21-23 Feb with Dr. Alan Schroeder. There were 19 participants attending this training including representatives of Supervising Grantees, Ministry Extension Service and spraying service providers. Training covered topics on the regulatory and certification environments; then the PMPs as a guide of what to do when for each crop; then auditing some of two local pesticide stores. The training also addressed Labels and MSDSs for pesticides which are used mostly by farmers growing NOA crops. The main part of the training was calibration of the backpack sprayers which Program has purchased for demonstration purposes. Settings (pressure, speed) chosen during calibration play an important role for efficient use of the pesticide applied, less exposure of the human body and less harm to the crop and environment. Parts of the trainings were filmed by the Bujku TV show and were shown by RTK on March 11.

EC-4-2012 Develop training modules to increase farmers' knowledge through repeated trainings on Integrated Pest Management Tools [IPM] tools.

The Program developed three training modules to increase farmers' knowledge through repeated trainings on IPM tools. Module I covered Principles of IPM; Module II covered the safe use of pesticides and environment protection; and Module III covered identification and monitoring of pests and diseases for six specific crops – apples, table grapes, strawberries, raspberries, lettuce and gherkins. More information about the delivery of the trainings may be read in Section 6.0 of this report.

1.5 OUTREACH AND TRAINING

OR-2-2012 Produce a monthly Newsletter with first issue in January 2012

The first issue of the Program's Monthly Newsletter was issued in mid-January. Subsequent issues were published in mid-February and mid-March. The format of the Newsletter was changed after the first issue to incorporate suggestions made by the STTA on the "Bujku" program preparations – see OR-4-2012 below.

OR-4-2012 *Recall the International FtF STTA, Bruce Williams, to help "Bujku" program preparations and monitor its development.*

Dr. Bruce Williams returned to Kosovo for a two-week assignment in mid-January. The primary objective of the assignment was to incorporate activities and information from the Program into the current Bujku television show. In Kosovo, television offers access to farmers that would be difficult to reach with any other type of mass communication. The Program's objective is to create awareness of existing and new crops, agricultural techniques, and production technology that will increase the profitability of agriculture in Kosovo. A "crash course" on television production was initiated for Program staff. Existing educational programs, educational video segments, and calendars were coordinated and evaluated. A production calendar was developed that included Program activities from January to September 2012. Eighteen television segments, including two back-up shows, were organized, planned and coordinated with technical staff. A brief 2-hour training was delivered for all staff that will appear on TV or be involved in production. The basics of proper attire, attitude, and information delivery were covered. Show and segment outlines, production details, and basic equipment needs were also presented.

POSTPONED ACTIVITIES

The activities listed below were planned to be completed in the first two quarters, but which, on further consideration, were deliberately postponed into later quarters:

Sa-9-2012 *Identify equipment upgrades necessary at Kosovo laboratories to build capacity re saffron quality testing.*

This continues to be delayed until the STTA, Dr. Mounira Lage, returns to Kosovo on her next assignment scheduled for August.

QS-2-2012 *Provide TA related to FRUIT processing equipment, food technology, safety and security and VC linkage development.*

As reported in FY2Q1 report the Program has had difficulty in locating a suitable candidate in the US to conduct the required technical assistance. In December it was decided to look regionally in Bulgaria or Macedonia. Fruit processing companies have been identified and are keen to receive this assistance. However, in talking with the processors, they would prefer to delay this assistance until June when there will be sufficient raw material supply available to make this assistance meaningful. Following the successful study tour to the Food Fair in Bursa, a search was initiated for a consultant from Turkey.

CG-7-2012 *Organize "linkages" workshop with Kosovo's value chain actors and regional buyers.*

This workshop was postponed until after the local workshop held on March 6 – see CG-6-2012 above. Then, in following up with Macedonian actors, it was decided that relationships between the Albanians and Macedonians had to be more carefully cultivated before a workshop would lead to meaningful relationships.

OR-5-2012 *Organize an Investment Promotion Meeting related to agriculture in collaboration with MAFRD.*

This is now scheduled for the first half of June. The purpose of the meeting is to communicate to the potential investors the opportunities for developing their land for agricultural produce and other opportunities in postharvest, trade and processing. The meeting will identify opportunities in agriculture sector and present crops that are suitable for growing in Kosovo, that are in demand in Kosovo, that have potential for post-harvest processing, and that in the longer term could have export potential. Staff from a

number of financial institutions will be available after the meeting to explain their policies and procedures for lending to the agricultural sector. The main agricultural processors, agribusinesses and owners of big farms will participate to share the experience and their plans with future investors in the sector. Quality and safety standards will be emphasized. Specialists in soils testing, product testing and integrated pesticide management will be invited to attend and to give guidance in their respective fields.

2.0 VALUE CHAINS DEVELOPMENT

2.1 Vegetables

The two vegetable value chains with which the Program is working are lettuce and gherkins. In the quarter, 600,000 lettuce seeds, complete with substrate, trays and plastic mulch, were granted to 12 lettuce producers demonstrating diversification of new lettuce varieties. Eight types of lettuce with 28 varieties were selected. Four hectares will be planted in 11 different municipalities. In addition, 360,000 gherkin seeds of four new varieties, again complete with substrate, trays and plastic mulch, were donated to 23 gherkin growers to be planted in twelve hectares in 20 municipalities.

2.2 Asparagus

The asparagus seedlings, which had been winterized at three nurseries over the winter, had all developed good crowns and 90,000 were prepared for distribution to growing grantees. Responses to an RfA, soliciting applications to be a grower, were received in late March and evaluations were in progress at quarter end. Seven applications were received, and the Program expects to award the crowns, as In-Kind grants, to six farmers [total 3.8 ha] with the right soil conditions and willingness to invest in a product that will not provide revenue for another two to three years. The Program also ordered another 240,000 seeds in February to develop into seedlings for planting 8 ha in 2013. In May the Program will accompany a nurseryman and four farmers on a five day study tour to Spain to see asparagus production there.

2.3 Apples

Six grantees have prepared their apple orchards to receive some 1,440 young saplings delivered from Italy, which arrived at the end of March. Three of these growers have also received grants to install anti-hail protection systems. The Program devoted one of its “Bujku” TV show segments to the winter pruning of apple trees.

Perhaps the most noteworthy development in the apple value chain concerned follow-up to the Study Tour that went to Italy in October 2011. One of them travelled to Italy to search for potential supply of about 100,000 trees; another one invited Professor Musacchi and one nursery man to support him in designing his future fruit farm; and a third ordered 5000 pear trees and about 14,000 apple grafts. Moreover, at the end of the quarter, the Program received a grant application for further support to cement this relationship between the experienced Italian agronomist and six of the larger orchard owners in Kosovo. This development could accelerate the growth in this sector of horticulture.

2.4 Table Grapes

Four grantees prepared their vineyards to receive 15,000 young plants delivered from Italy, from the same nursery as delivered the apple saplings and also at the end of March. Despite the snowy weather conditions, a very successful week of training table growers was held in February. Dr. Adamo Rombola, from Bologna University, provided Train-the-Trainers trainings in transforming the existing vertical trellis system into a horizontal double T system in order to increase yields and marketable quality; and on winter pruning of the single Guyot method to avoid major pests and disease and improve canopy management. A one day symposium was held to share the new cultural practices with table grape growers and Rahovec grape institute. There was a large turnout of 118 growers, MAFRD, input suppliers and agriculture extension agents from Rahovec grape institute as well as other interested parties. Since then, 20 vineyards have started to install the double T system of trellising.

The Program also ordered sufficient quantities of the Vee style trellising from Visalia, California, to support the 15,000 plants. This is new technology for Kosovo, and the expectation is that some local steel fabricator will set up to manufacture the simple Vee trellising in Kosovo. AutoCAD designs were prepared by a local surveying company to ensure correct and precise installation of the trellising.

2.5 Blueberries

The Program sent its production specialists and two growers to Serbia to participate in field days, arranged by the USAID AgBiz program in Serbia. Mr. Richard Dale, the STTA engaged by the Program in 2011 was the presenter of blueberry plantation good practices. This enabled the specialists to see developed blueberry plots and to discuss further blueberry issues with Mr. Dale in the field. They also attended Mr. Dale's debrief to USAID in Belgrade. Although the Program is introducing blueberries to Kosovo, it will be a couple of years before the plants mature to the stage which the specialists were able to witness in Serbia.

In early March, 14,000 blueberry plants were delivered to Kosovo from Lacota, Minnesota. They were shipped in a carefully controlled container environment and arrived in excellent condition. One of the Program's partners, Agrovizioni, has generously allowed the Program to use his cold storage facility as the staging post for receipt of all the imported plants and from there the Program arranges distribution to the several grantees. A local input dealer has been found who is able to supply elemental sulfur, and essential input for blueberries.

2.6 Strawberries

The Program ordered 300,000 new plants – 50% an early variety, Honeoye, and 50% a day neutral later variety, Albion, sufficient for planting six hectares. These will arrive on April 11 and be distributed to ten growers and two nurseries. Drip irrigation for each grower has been solicited. All plots have had soil samples taken to assure good growing conditions.

2.7 Raspberries

The Program ordered 39,000 bare root plants – 15,000 canes each of Polka and Tulameen, and 9,000 canes of Autumn Bliss, sufficient for planting five hectares from the UK. These will arrive with the shipment of strawberries on April 11. They will be distributed to 12 growers. A further 1,000 canes of Nova were ordered from the US and were delivered with the shipment of blueberries – see 2.5 above. Concrete support poles and training wires will be provided to each grower as part of the grant.

Much interest has been expressed in this new product for the market – fresh raspberries. Kosovo has typically produced raspberries for freezing and shipping them to Serbia for further marketing, but the potential for this market has dwindled. Kosovo can develop the fresh market which depends on hand picking and low labor costs. Two of the few HACCP processors in Kosovo, APC and ASK Foods, had expressed interest in partnering with the Program in this development, and when the UK supplier advised us recently that he has a further 60,000 canes of Polka available, the Program asked APC and ASK if they were interested in a cost share grant to promote this new crop. It was agreed that a further 40,000 canes would be purchased, sufficient for 5 hectares, and grants will be negotiated with the two companies in April.

2.8 Saffron

The Program issued RfQs for a further 500,000 corms to be tested in trial plots in different regions/altitudes of Kosovo as recommended by the STTA engaged last year. It is expected that the corms will be ordered in April for planting in July. This is the second, and last, year in which purchases of corms will be made. Sufficient corms will have been planted to test the viability of saffron as a crop grown in Kosovo and as recommended by the AgStrat Report; results will be monitored over the rest of the Program and potential markets will be pursued. During the quarter, the Program sent saffron samples grown in Kosovo to three multinational companies – Weleda from Switzerland, Martin Bauer from Germany, and Sonnentor from Austria.

2.9 Post Harvest Activities

The Program organized a Study Tour to Turkey, February 22-26, for ten partnering companies, which is reported above under Activity QS-4-2012. An important feature of the tour were the visits to five food processing equipment companies in Bursa region. Kosovo processors were able to see many different types of processing equipment, gain ideas for improving the processing technology in their plants, gain knowledge for developing their equipment and processing investment plans and discuss trends in market demand for processed products. Participants were able to find different type of cheap food processing equipment that in the near future may be purchased by local food processing companies: Eurofruti, Askfood, Mibtrade, Moea etc. Management staff of GOZTEPE, the biggest fruit and vegetable processing equipment company visited, expressed an interest to visit Kosovo and meet with food processing businesses for presentation of their food processing equipment program. The Program is looking at opportunities for supporting this initiative.

A grant, which had been awarded to “Dielloni” for constructing a cooling and storage facility for apples and pears, was completed. The facility, in Viti Municipality, is for storage of only 60 tons of product. However, it will serve as a model for farmers in that region of how such a facility should be constructed. The Program’s Post Harvest and Certification Specialist oversaw the construction and should the facility be expanded to include grading and sorting, the present building would largely meet future HACCP requirements.

Meetings have been held with a number of apple associations to assess their production capacities and the feasibility of building collection and cold storage facilities to serve the whole association. Generally however, the old problem of farmers not wanting to share such a facility resurrects itself. This reluctance does not bode well for the MAFRD plans to build three large such centers in Kosovo in the near future.

The Post Harvest and Certification Specialist developed designs for facilities in which to house a pilot bagged lettuce salad line. The Program has ordered equipment from the US to set up one line and it will be installed in a facility designed to conform to HACCP standards. The Program will decide with which of our lettuce growing partners to cost-share the project after receiving responses to an RfA to be issued next quarter.

Other Post Harvest activities are reported under Section 4.0 – Improved Food Quality and Safety.

2.10 Marketing and Linkages

Two rounds of meetings were organized with the biggest strawberry producers and a potential export trader to follow up on the opportunity to export strawberries to Albania which had been identified in the Regional Market Assessment activity conducted last August. Four producers emerged as willing to conduct trial export shipments to Albania despite the fact that harvest season is a bit late this year due to severe winter weather. There are still more opportunities to increase production for local market, but nevertheless these producers believe it is worth trying to open an official export market to Albania. Last year 13 tons of strawberry was exported to Albania but through illegal routes. At the end of April the Program will organize a meeting between the Kosovar exporter and Albanian importer to arrange trial shipments from the year’s first harvest in mid-May.

Much attention has been given to generating written contracts between producers, collection centers and processors in the quarter. This is one of the goals of the Program, to link products and farmers to markets. A “linkages” workshop of the actors of the gherkins value chain took place. It was the first event where processors and collection centers/producers have had a chance to have dialogue for the improving sales/purchases of gherkins, thus improving collaboration. Furthermore, recommendations for future development were drawn. These apply to all value chains and include:

- Such workshops before production season starts, are very important for improving collaboration and facilitation of sales and purchase of product between producers and processors;
- The collection center is an important actor for sales/purchase of products – processors will deal with one person and not with large number of small producers;
- Contracts are important to ensure supply, but some processors were not sure that producers will respect them. All producers said that if contracts were signed, prices could be negotiated more easily.

During the quarter, for three value chains – apples, raspberries and gherkins - 52 contracts between producers and collection centers/traders were signed; and 7 contracts between collection centers and processors were signed.

Another major activity during the quarter was the support given to the MAFRD campaign, “From our land to our table”. The Program had included in the Work Plan for Year Two an Activity MKP-3-2012 to work with supermarkets to give dedicated shelf space for domestic horticultural products to ensure their better exposure. Once the Program had supported the MAFRD campaign in the first quarter through funding a TV commercial for the campaign, it was logical to tie the Program’s Activity to the campaign. Accordingly, all work on this Activity has been coordinated with the Ministry. The Program financed fabrication of 27 shelf units, designed in the shape of a traditional Kosovo table [a sofra] and had them distributed to 25 stores run by the six biggest supermarkets in Kosovo. MAFRD provided additional branded advertising materials. The shelves will be permanently exposed at the stores. Products from eleven local food processors will be represented on the shelves. Processors are required to intensify their direct promotions at the supermarkets where these shelves are placed. The dedicated local product shelf will be a referral point for those local product promotions. A joint launch event is planned for April 27, hosted by USAID, MAFRD and the Program, to thank the supermarkets and processors for their participation in this campaign.

3.0 INCREASED AND AFFORDABLE FINANCE

3.1 Assistance to MAFRD to establish a Development Credit Authority (DCA) program

In January, the STTA Mr. Ken Smarzik, accompanied the two USAID/EGAT/DCA representatives and an advisor from the Ministry to present initial guarantee conditions (term sheet items) to the participating banks. Specifically, the visits were to ascertain the appetite for the guarantee, explain the DCA conditions that would accompany the guarantee, and continue to underscore the importance of reducing the interest rate, in particular for the smaller borrowers, where the cost of borrowing is at least four basis points higher than the average lending rate for 2011.

In addition, a result of this trip was to provide MAFRD with the analytical basis for finalizing support from the Ministry of Finance; provide some guidelines on coordinating MAFRD's direct investment grants program and the lending under the ACGP, and provide some indicators to measure the progress of the Agricultural Credit Guarantee program [ACGP] towards achieving the goals of additionality and more competitive interest rates for the sector.

In all, five banks were visited – ProCredit, Raiffeisen Bank, BKT, NLB and Banka Ekonomike, and the proposed terms were presented and discussed with each of the banks. The terms were subsequently also shown to TEB. The overall reception continues to be positive, and all banks continue to be interested in the ACGP. The USAID/EGAT/DCA representatives were able to evaluate the state of readiness of the various banks who are considering participating in the ACGP. Three banks have confirmed their readiness to participate in the DCA program.

The establishment of the ACGP, using the DCA, will address two objectives – ensuring access to credit for investment in commercial agriculture, and introducing competition into the banking system, through the participation of several banks, with the result of reducing interest rates.

MAFRD should continue their efforts to elicit firm commitments from bankers to reduce interest rates, particularly in the lower loan size categories. They can capitalize upon the finalization of the term sheets, by combining these two efforts into one, by visiting the banks, and discussing both the term sheets and the interest rate targets.

The STTA, Ken Smarzik, will return to Kosovo for two weeks commencing April 16. The objective of Mr. Smarzik's assignment is to conduct a feasibility assessment to determine whether a local credit guarantee facility can be successfully established and become self-sustainable. The assessment will review legal considerations, various operating models for credit guarantees facilities, market demand, additional funding alternatives, and financial analysis. The intent is to establish a credit guarantee facility that is free from political capture. This will require an institution that is fully independent or quasi-governmental, and will likely involved numerous partners, such as other donors, banks and the Kosovo government.

Mr. Smarzik will also be focusing on the key challenge for such a local credit guarantee institution of leveraging capital funds to achieve a much higher level of lending. In contrast to the US Treasury guarantee provided by DCA, the Kosovo Central Bank is not a lender of last resort. Under the circumstances, other mechanisms must be explored, such as re-guarantees arrangements, to leverage the capital of a local credit guarantee facility.

3.2 Training of new entrants to agriculture

The Program awarded a grant to AFAS Consulting to provide Training and an Internship Program for 25 of the best students from the Agriculture Faculty at the University of Prishtina. 29 students were selected and attended classroom training over a period of three months and will address subjects of accounting and financial management. Training was completed in mid-March whereupon positions were found for all the students as interns in local financial institutions for a period of two months. The Program aims to equip the trainees with the skills necessary to work in the field of agro financing that will lead to job placement. The Program itself intends to employ 8-10 of these students through a BSP in implementing the grant “Building Financial Capacities” at all our growing grantees farms.

3.3 Assistance in accessing Donor Grants Programs

At the end of February, the DCoP conducted a training course for writing large scale grant applications specifically addressing the recently announced EU Rural Grants Scheme funding of €5 million. 17 participants were present including project staff from NOA, KPEP and Helvetas (Intercooperation), including one consultant from minority area – North Mitrovica. Program selected four best students from AFAS program to participate for information reasons in this training. The Rural Grants Scheme is a good opportunity for local processors to access finance and improve their facilities and competitiveness in local and regional market. On day one emphasis was laid on the importance of preparing a good concept note as the main part of the proposal. The topic on day two was Logical Framework and Writing techniques while day three included preparation of Budget and Procurement rules. Based on our observations ABI and EuroFood are excellent candidates to receive an EU grant. ASK Food is another very good candidate, but he still hasn't selected a consulting company to support him in preparation of grant application.

The program is satisfied that some companies have acknowledged the importance of consultancy for their grant applications and achieving company objectives through this kind of exercise. In this case all companies regularly sent their consultants for training except Supermix, Koral and ASK Foods. On the last day of training, EU in Kosovo announced the EU Rural Grant Scheme 2012. Unfortunately only 600,000 Euros out of 4.5 million Euros is dedicated to the fruit and vegetables sub-sector; that is not enough to cover the needs of this very important sector for agriculture. The real need for this sub-sector is more like €1.5 million as this industry has just started to develop and needs cheaper financing for its continued development.

3.4 Training at Local Financial Institutions

The Program held two days of training for Raiffeisen Bank's loan officers in Pristina. 21 participated each day, coming in from RBKO's offices around the country. The purpose was to advise the loan officers of the particular needs of an agricultural borrower, referencing the cash flow cycles that pertain to agriculture which are unlike that experienced by other borrowers. The agro-lending staff also showed high interest on MAFRD grants program, and the directions on where more detailed information can be obtained. The feedback from the attendees gave the Program's organizer [Sales and Marketing Specialist] and presenters [Vegetable, Fruit Production, and Post-harvest, Specialists] very high marks. In early April, another two days of training has been planned with ProCredit loan officers at which 92 officers will attend. Some 550 copies of Gherkins and Lettuce production manuals have been distributed to six banks and three other financial institutions – one copy for each lending officer. The banks have asked for other materials which the Program produces in future to be similarly distributed so that their lending officers gain a greater understanding of agricultural issues. The banks have offered to pay for the printing in future.

4.0 IMPROVED FOOD QUALITY AND SAFETY

In March, the Program conducted a four-day HACCP training for F&V local processing companies. Twelve representatives from different local processing companies attended training led by HACCP expert from Macedonia Mr. Vlladimir Kokarev. Training materials, food law and other important information and materials were delivered to the participants. For better understanding of training subject, on third day of the training participants was able to visit wild fruit processing company “Eurofruti”, recently certified for HACCP.

The training and auditing provided by the Program under a grant to “Eurofruti” resulted in HACCP certification of the company after one year of Program involvement. This is an encouraging result, but it does show the duration such certification takes. Under Kosovo law, No. 11/2011, implementation of food safety systems is mandated, but with so few qualified internal/external auditors in Kosovo, the process will be several years before the goal is achieved. Mr. Kokarev strongly recommended that there needs to be a major effort to get more Kosovars trained in implementing HACCP requirements. It was not a practical, nor beneficial, solution to continue with a reliance on bringing experts from regional countries to provide this training and supervision of implementation. Since one of the objectives of the Program is “Food Quality and Safety Improved”, the Program has reacted to Mr. Kokarev’s warnings and has started to consider options for initiating this training.

Following Mr. Kokarev’s training, and as a result of other one-on-one presentations by the Program staff to food processing companies, five processors are in discussions with the Program regarding receiving future technical assistance for getting HACCP certified. These are:

- “Abi & Elif” from Prizren
- “Koral” from Fushe Kosovo
- “Fitimi” from Drenas
- “Agroalbi” from Ferizaj, and
- “As Promet” from Leposavic in northern Kosovo.

These five companies represent a significant proportion of Kosovo’s food processing sector. The importance of acting fast to start working with the companies was emphasized by the recent experience of Koral. The company has invested in an expansion of its plant to accommodate additional processing lines, but having done so, was advised that to qualify for HACCP certification, insufficient attention had been given to specific requirements for HACCP: toilets, changing rooms, power and water distributions, wall and floor coverings, etc. As a result, the company will have to undergo further expansion/modifications of the plant at considerable extra cost. Such change could have been avoided if a comprehensive plan to meet the objective of achieving HACCP certification had been developed at the outset.

5.0 IMPROVED COORDINATION WITHIN AGRICULTURAL SECTOR

5.1 Restructuring and Planning within the MAFRD

Based on the planning for the 2012 restructuring of MAFRD which was carried out in the fourth quarter of 2011, the Minister established priority activities for MAFRD and designated responsible senior staff for their accomplishment. The Senior Technical Advisor to the Ministry [MSTA] was assigned primary responsibility for 7 of the 15 activities. These seven activities are:

- Ag Credit Guarantee Program
- Establish National Agricultural Extension Service
- Establish Economic Analysis Unit
- Improve Evaluation and Monitoring Unit
- Restructure MAFRD Research Institutes
- Plan for AVUK integration into MAFRD
- Donor Coordination

The MSTA suffered from a medical condition which necessitated his absence from Kosovo for the four weeks, February 13 to March 14, and which included an evacuation back to the USA. As a result, some activities were delayed or were completed below expectation. This will result in the delay of some planned third quarter activities.

5.2 Ag Credit Guarantee Program

Program-supported agricultural finance expert Ken Smarzik made a further trip to Kosovo in January which culminated with a presentation to the Minister and his advisors on January 25. The presentation concluded with an outline of the next steps which would culminate with a signing ceremony between the DCA and USAID/Kosovo on May 2, 2012. The only involvement by MAFRD was to present the term sheets to the local banks and this was done. Mr. Smarzik will again return to Kosovo in late April for two weeks commencing April 16 to conduct a feasibility assessment to determine whether a local credit guarantee facility can be successfully established and become self-sustainable. More details about this activity are reported in Section 3.1 above.

5.3 Establish National Agricultural Extension Service including restructuring of Institutes

Legislation for creation of the National Agricultural Extension Service [AES] passed in parliament. Two STTAs were mobilized and supported through the Program. Dr. Jaap Janse from the Department of Laboratory Methods and Diagnostics, Dutch General Inspection Service, The Netherlands, completed his report on “Strengthening the advisory and technical services of MAFRD by reorganization of its laboratories” and the report is currently in translation to Albanian for distribution through the Ministry. The main aim of the report was to recommend actions to realign agricultural institutes more closely to the Ministry’s current extension strategy and priorities, namely: integrating them into a delivering modern technology and technological services to their clients (field advisors, producers, agribusiness and inspection services); and concentrating more on diagnostic services, applied research and demonstration in support of their main advisory and diagnostic roles.

Dr. Michael Swan, a Farmer-to-Farmer volunteer completed Training Needs Assessment for the AES. The report left certain areas unaddressed and some further work in defining needs is still required. Implementation of training, mobilization of STTA(s) and a planned study tour will all now be delayed into the last quarter of FY2012.

However, USDA did invite the MAFRD to provide a total of eight trainees for the Cochran program. The MSTTA participated in the interviewing and selection of candidates. The Ministry identified three functional areas which it wanted to focus on within the training. It is the Ministry's intention that all participants will be full time staff of the AES or of allied departments in the Ministry. The subject areas the Ministry wished to focus on were:

- Organization and Operation of Agricultural Extension
- Extension for Farm Management and Marketing
- Agricultural Production Extension: Four technical areas which are the priorities within MAFRD's own internal strategy and the "Agricultural and Rural Development Plan for Kosovo 2009-2013".
The four technical areas are:
 - Livestock Production – particularly dairy cattle and small ruminants.
 - Horticulture - intensive vegetable production (field and greenhouse), including post-harvest handling.
 - Cereals - corn and wheat
 - Orchard Crops - most temperate pome and stone fruits (particularly apples), grapes (wine and table), as well as most berry crops (for both fresh and processing)

5.4 Establish an Economic Analysis Unit

During the quarter, the unit was created and staffed. In partnership with GIZ, the Program provided a regional and a local STTA to assist the MAFRD in creating the unit, developing the staff and defining their roles. Their final report was issued to USAID and was translated into Albanian for distribution within, and without, the Ministry. Plans for establishing costs of production were delayed but will start in May. Experts are being searched to conduct STTA assignment(s) to assist the MAFRD team in developing a plan for the required costs of production analyses; designing the cost of production models required for the analysis; designing a data collection program to gather the necessary data needed to complete the analysis; assisting in the data analysis itself; and training the EAU staff in these measures. The consultants' assignment will focus on the following target enterprises: field corn; apples; wine grapes; dairy cattle; and sheep. The consultants will also work with EAU staff to prepare a work plan for 2013, to update the 2012 analysis for the enterprises studied in 2012, and to complete similar analyses during 2013 to cover new farm enterprises.

5.5 Improve Evaluation and Monitoring Unit

MAFRD plans for development of this unit are uncertain at this time, and any involvement by the Program has been put on hold.

5.6 Donor Coordination

During the quarter, the MSTTA coordinated and attended 44 donor related meetings. Forestry donor coordination with donors from Sweden, Norway, SNV, Finland, FAO, and USAID received the most attention; also meetings with the EU to discuss Instrument for Pre-Accession Assistance [IPA] and Stabilization Association Process Dialogue [SAPD] related issues. There is still a lack of communication and coordination between agriculture donors, and a noticeable tension exists between them. This makes coordinating the several donor programs that support the agricultural and rural development activities of MAFRD difficult and frustrating. Accordingly, MAFRD is likely to ask agriculture donors to form an agriculture donor coordination group and designate a single contact point following the successful model the forestry donors have used. A meeting to announce this is planned for late April.

6.0 ENVIRONMENTAL COMPLIANCE

6.1 Environmental Reports

The Program completed submission of all Environmental Reports (ERs) for all grants awarded to date. A total of 28 ERs have been submitted covering 99 farms. The Program was pleased to receive commendation from the BEO, Washington, on the quality of the ERs submitted.

6.2 Amendment to the PERSUAP

The update of the PERSUAP (DCN 2011-KOS-055) was submitted to USAID for approval on Dec. 21, and the approved report was returned to the Program on February 01, 2012.

The Program continues to check regularly with MAFRD for new pesticide registrations. It is understood/recommended that the PERSUAP has to be updated at least annually every year to incorporate such registrations, and deletions from the list. Once the supervising grantees start to regularly visit the growing grantees, they will administer checks on all record keeping by the growers with respect to list of pesticides stored, records of pesticide usage, MSDS where available, and all other actions prescribed in the Pesticide Safe Use Action Plan included in the Annual Work Plan. The objective is to decrease the number of beneficiary farmers unaware of pesticide safety, environmental and natural resource protection, and IPM concepts.

6.3 Basic principles of IPM and Safe Use of Pesticides.

In late January, Dr. Fadil Musa, contracted by the Program, provided a course of five days, three hours per day, on an Introduction to Integrated Pest Management [IPM], common to all crops. The IPM specialist at each of the six supervising grantees [for apples, table grapes, strawberries, raspberries, lettuce and gherkins] together with two students from each of the supervising grantees attended. Four spraying service providers, and four MAFRD representatives from the municipality extension services also attended.

In mid-February, Dr. Alan Schroeder, the author of the PERSUAP, delivered train-the-trainers sessions to the same groups as above. Dr. Schroeder demonstrated correct handling and application of pesticides using Personal Protective Equipment [PPE] ordered by the Program. Ten sets were distributed to the attendees, and further sets will be ordered for distribution to all the growing grantees – up to 85. The distribution of this equipment will fulfill the Program's commitment to promote the use of PPE including exploring ways to subsidize or cost-share PPE.

In March, Dr. Fadil Musa conducted the “classroom” crop-specific trainings for the six crops addressed above. [blueberries and asparagus will be subject of separate trainings later in the year]. Following these trainings, Dr. Musa will conduct crop-specific trainings in the field at the farms of the growing grantees.

Each of the supervising grantees has prepared a crop-specific manual on good practices of IPM for use by their growing grantee. Dr. Musa and the Program's Environmental Compliance Specialist have assisted in their preparation, and coordinated preparation so that the manuals are consistent in content and presentation. In the next quarter the supervising grantees will be responsible for implementing IPM at the several growing grantees.

7.0 INNOVATION AND INCENTIVE FUND

There was continued intensive activity from the IIF team, assisted by the technical staff, during the quarter. The objective was to start implementation of grants awarded to farmers in the previous quarter. This involved:

- importing and distributing seeds, cultivars, seedlings and rootstocks of new varieties of fruits and vegetables which had been recommended by the various STTAs during 2011;
- briefing the “supervising” grantees with a detailed list of duties to be performed in overseeing the “growing” grantees farming the trial plots;
- checking on suitability of trial plots in terms of location, legal right to farm, soil conditions, irrigation provisions, and good management;
- training of all the growing grantees on Integrated Pest Management (a continuing activity);

38 grants have been awarded covering trial plantings of apples, table grapes, strawberries, raspberries and blueberries. 30 have been awarded to growers; 5 to supervisors; and 3 to nurseries.

In addition, four grants for anti-hail protection have been awarded. Grants were awarded to:

- ASK Foods;
- Heron & Adea;
- Fil & Farmer, a minority farmer in North Kosovo, Leposavic; and
- MOEA.

Components of the anti-hail systems – posts, netting, wires – were ordered from Italy, Austria and Serbia. Deliveries to the first three companies were completed in March; MOEA will take delivery of their components and install in May/June.

The subcontract with Rural Development Centre [RDC], for the supervision of trial plantings of lettuce and gherkins, has been extended for a second year. There will be 12 lettuce growers and 23 gherkin growers participating in the trials under the supervision of RDC. In the coming quarter, grants will be awarded to 6 growers of asparagus [transplanting the seedlings produced by nurseries in 2011]; to 2 nurseries for producing asparagus seedlings [a repeat of last year’s trials, but eliminating one nursery]; and to four new saffron growers [another repeat of last year’s trials but with new farmers, and in areas of Kosovo having higher altitudes as recommended by the STTA last year].

In total, 85 trial plots for fruits and vegetables will be under management by the Program in 2012.

51 grants and 9 subcontracts have been awarded to date from the IIF. Value of awards from the IIF is \$1,588,054 of which \$859,318 has been expended.

Grants completed this quarter, though not necessarily closed out, include:

- assisting Eurofruti achieve HACCP certification;
- constructing a cold storage facility for storing 60 tons of apples and pears at “Dielloni” company
- training 25 agricultural students in basic accounting and financial management skills

8.0 PERFORMANCE MONITORING

In January, the Monitoring and Evaluation Specialist, assisted by the Senior Technical Advisor/Manager from the Home Office, conducted one-day training for all Program technical staff and supervising grantees, on implementation of PMP plan. During the session, the staff were provided detailed description of each indicators, targets that program has to achieve, and tools that will be used to collect data. In addition, during each grant signing ceremony event organized by Program, the M&E Specialist has presented data collection tools to grantees, provided assistance on how to use tools and instructions on when to report.

During March, the Program evaluated Cygis Company as the preferred bidder to develop an integrated database for the monitoring and evaluation of targeted indicator results of the project. The main purpose of the database will be to store PMP data, and generate reports. It will be designed such that that all the indicators can be reported from that database. Use of the database will not be limited to generating report indicators, but it will also be used to store useful information about all the actors of the program.

The most significant indicator result for this quarter is the number of contracts signed. In the first quarter of FY 2012 the Program managed to sign only one contract, whereas, during this second quarter, the sales and marketing team has been able to assist producers, processors and traders to sign 68 out of the 100 contracts targeted for FY2012. This increase came mainly as result of our staff's effort to promote the importance of signing contracts, and the Program's customers at last acknowledging the importance of written contracts. This trend will continue during the following quarters as more production takes place.

Another significant indicator result for this quarter was the increase in the number of farmers engaged directly or indirectly with the Program; this has increased from 389 to 559. Of this number, 88 customers are directly involved with us through the award of grants and subcontracts, whereas 471 farmers are directly engaged with our customers and thus indirectly involved with the Program. This increase is mainly the result of the increased activity in awarding grants.

The indicators in the Program Indicator Matrix of the PMP which are to be reported quarterly, and the results achieved this quarter, are shown in Annex 4.

9.0 OUTREACH AND TRAINING

9.1 Program Website

The Program Website [<http://www.noakos.com>] continues to publicize the work and results produced by the Program. It presents one of the main methods by which the Program communicates with our potential and actual customers, and is a depository for the substantial amount of information that the Program is producing. The website is under continuous refinement and the team has received compliments from numerous sources on the information it provides. There are more interactive features. All the newsletters and “Bujku” TV segments can be accessed, as well as STTA reports and information brochures produced by the Program. The website has recorded significant increases in “hits” over the quarter, particularly in the days immediately following broadcasts of the Program segments of RTK’s TV Show, “Bujku”.

9.2 Program Newsletter

Three Monthly Newsletters were distributed in the quarter. The main article in the first issue provided an overview of the objectives of the Program, the work accomplished in the first year and the priority activities planned for the second year. The two short articles addressed “Reducing Imports – Increasing Production of Lettuce” and “Diversifying Crops- Introducing Asparagus to Kosovo”. The format of the Newsletter for subsequent issues was changed on the recommendation of an STTA who came to provide advice on television agricultural show production and other communications. Articles for the February and March issues were written on:

- Partnering with RTK
- Global GAP Compliance – Mind Your Manure!
- Diversifying Crops – Promoting Saffron in Kosovo
- Using Pesticides More Safely
- Fruit Logistica Fair, Berlin – Viewing the Competition
- Trellising for Table Grapes – Improving Quality and productivity

The Newsletters are published on the Project Website, sent electronically to all our contacts, and distributed in hard copy to major institutions.

9.3 Reports, Assessments and Manuals

At the end of each STTA assignment, the technical advisor produces a report on his/her visit and concludes with a set of conclusions and recommendations for future activity. These reports are posted on the website, and include any PowerPoint presentations developed by the STTA. Reports were produced by STTAs on:

- Television agricultural show production
- Pesticide safety training technical assistance
- Strengthening the Advisory and Technical Services of MAFRD by reorganization of its laboratories
- Table Grapes technical assistance

Manuals in B5 format have been prepared in Albanian covering:

- Cultivation of Green Salads
- Cultivation of Gherkins
- Apple pruning

Trifold brochures, providing advice to growers, are now being produced by supervising grantees in accordance with the grant scopes of work. To date, three have been produced:

- Table Grape Pruning
- Plot selection and preparation before planting raspberries
- Correct planting procedures for raspberries

9.4 Use of the Media

The Program negotiated with RTK's agricultural program "Bujku" and awarded a grant for NOA to have a 20 minute slot on their show every two weeks. In the first quarter six shows were taped and covered the following topics:

- An overview of the Program similar in content to that of the first Newsletter – see 9.2 above.
- Asparagus and Lettuce seedling production
- Winter pruning of apples
- Safe use of pesticides and environmental protection
- Value Chain linkages and the benefits using contracts between growers and processors
- HACCP and processing equipment

Feedback has been mixed, partly because the Program does not have control over the editing of the recordings. But in general, the subject matter has been praised as being of more direct interest to the farmers.

9.5 “From our land to our table” – “Nga toka jonë, për sofrën tonë”

The TV commercial produced by INIT Productions for the promotion of agriculture in Kosovo in support of MAFRD's media campaign “From our land to our table” – “Nga toka jone, për sofrën tone” was aired through 31 March 2012. This campaign aims to raise awareness in Kosovo consumers by inviting them to buy local products, thus directly contributing to Kosovo agriculture and economy. In further support of this campaign, the Program has signed MOUs with six supermarkets agreeing to display Kosovo products on special display units, especially fabricated for this campaign by the wood processor, ELNOR with funding by USAID. For more information about this Activity, see section 2.10 above.

9.6 Signboards

The Program had ten sturdy signboards constructed on each of which USAID's contribution through a grant to the development of agriculture at a local farm was announced. Grantee locations were chosen which were adjacent to well transited roads to maximize exposure of the signboards.

10.0 PLANS FOR NEXT QUARTER

The plans for the next quarter are set out in the Fiscal Year Two Annual Work Plan which was issued to USAID in September 2011. The Activities to which the Program committed are summarized in the Work Plan in Annex “A”, an Activities Table, and in Annex “B”, a Schedule for Completion. In the coming quarter, the program will complete those activities which remain outstanding from the first two quarters, unless they have been deliberately postponed to the fourth quarter, as well as move ahead to address the activities planned for the third quarter.

10.1 VALUE CHAINS DEVELOPMENT

Apples

- Ap-6-2012 Purchase a pre-equipped, on-farm containerized cold room with a capacity of approximately 16 MT*
- Ap-7-2012 Solicit grant applications from individuals or firms that have the capacity to reverse-engineer container acquired in Ap-6*
- Ap-9-2012 Organize round table discussion inviting growers, traders and local supermarkets to discuss the apple market.*

Table grapes

- TG-5-2012 Organize a Study Tour to visit one or more table grape production site(s) in Italy or Israel.*

Strawberries

- St-5-2012 TA regarding harvesting, sorting and packaging of fresh strawberry production for the retail market*
- St-6-2012 Organized field day for viewing new varieties for farmers, supermarkets, wholesalers, exporters, input suppliers.*
- St-7-2012 Organize round table discussion inviting growers, traders and local supermarkets to discuss the strawberry market.*

Lettuce

- L-4-2012 Organize Study Tour to Salinas, California for producers.*

Gherkins

- CG-3-2012 FtF volunteer support with on-site technical assistance to growers during spring planting.*
- CG-5-2012 Purchase a gherkin sizing machine to improve sorting and grading standards and expand capacity in Gjilan region.*

Asparagus

As-4-2012 Provide technical assistance from a FtF volunteer

Saffron

Sa-3-2012 Order 500,000 corms for planting an additional 1 ha. and deliver to field.

Sa-4-2012 Award grants [tbd] to farmers to plant new varieties amounting to either 1 ha or 5 ha in total - Growing Grantees .

Sa-7-2012 Provide TA from Ms. Lage to producers and local laboratories during the planting of new plots - June/Jul 2012

Blueberries

B-5-2012 Study tour for nursery operators to Poland or Netherlands

10.2 LINKAGES ALONG THE VALUE CHAIN

LVC-1-2012 Develop inventory of specific production capacities of individual processors and assess their needs for product.

10.3 MARKETING KOSOVO'S PRODUCTS

MKP-2-2012 Engage a fresh F&V retail marketing specialist to organize a series of workshops tailored to the retail sector managers

10.4 INCREASED AND AFFORDABLE FINANCE

AC-2-2012 Develop consultants specializing in writing large scale grant applications.

AC-5-2012 Develop/implement a program for training farmers in modern financial management skills

AC-3-2012 Train 25 of the best students from the Public Agricultural Faculty in basics of agricultural finance

10.5 IMPROVED FOOD QUALITY AND SAFETY

QS-3-2012 Provide TA related to VEGETABLE processing equipment, food technology, safety and security and VC linkage development.

10.6 IMPROVED COORDINATION WITHIN THE AGRICULTURE SECTOR

MA-1-2012 Determine whether a local credit guarantee facility can be successfully established and become self-sustainable.

MA-3-2012 Design and plan the reorganization of MAFRD's agricultural extension service

MA-4-2012 Training of staff at MAFRD's new Economic Analysis Unit

MA-5-2012 Restructuring MAFRD's Institutes

10.7 ENVIRONMENTAL COMPLIANCE

EC-6-2012 Award grant(s) to local service provider to provide a crop spraying service at an apple and a table grape association.

10.8 POSTPONED ACTIVITIES

Activities planned to be completed in the first two quarters, but on further consideration deliberately postponed into later quarters:

- Sa-9-2012 Identify equipment upgrades necessary at Kosovo laboratories to build capacity re saffron quality testing.*
- QS-2-2012 Provide TA related to FRUIT processing equipment, food technology, safety and security and VC linkage development.*
- Sa-9-2012 Identify equipment upgrades necessary at Kosovo laboratories to build capacity re saffron quality testing.*
- CG-7-2012 Organize "linkages" workshop with Kosovo's value chain actors and regional buyers.*
- OR-5-2012 Organize an Investment Promotion Meeting related to agriculture in collaboration with MAFRD.*

ANNEX 1

GRANTS AND SUBCONTRACTS

The Tables that follow show the status of all Grants and Subcontracts awarded to date.

In Summary:

Grants

Number of Grants Awarded	51
Value of Grants Awarded	€ 886,014
	\$ 1,219,163
Amounts Disbursed	€ 480,411
	\$ 637,740

Subcontracts

Number of Subcontracts Awarded	9
Value of Subcontracts Awarded	€ 260,433
	\$ 368,891
Amounts Disbursed	€ 159,854
	\$ 221,578

STATUS OF GRANTS AWARDED FROM I.I.F. @31.03.2012

IIF Ref. #	IIF Awardee	Purpose/Description	Total Amount €	USAID approval	Start Date	End Date	Amount Disbursed	Land Area - if applicable	Actual/Expected Achievements	Follow-up Activity, if any
G-001	MOEA LLC	Hail Protection Kravarica	€ 36,370.00	12-Jul-11	21-Jul-11	31-Dec-11	€ 0	2.5	Fewer apple crop lossess	Obtain waivers before purchase of In-Kind materials
G-002	AFAS	Training and Internship program for the Best Agriculture Faculty	€ 26,250.00	14-Nov-11	14-Nov-11	14-May-12	€ 1,250	n/a	25 graduates trained	Internships
G-003	Ask Foods	Irrigation systemm and fertigation 10 ha	cancelled							
G-004	Heron & Adea LLC	Construction of hail protection	€ 36,070.00	13-Jul-11	6-May-11	21-Jun-12	€ 50,045.68	3.5	Fewer apple crop lossess	Purchase In-Kind materials
G-005	Fidanishtja Bytyqi	Installation of Fertigation System and Fruit Tree and Ornamentals nursery	€ 8,300.00	7-Jul-11	15-Jul-11	14-Jun-12	€ 0	7.0	Imp'd quality/ reduced costs	Reimbursement of fertigation system
G-006	Ask Foods	Anti Hail system for 6.5ha	€ 48,500.00	27-Oct-11	1-Nov-11	31-May-12	€ 24,781.66	4.0	Fewer apple crop lossess	Purchase In-Kind materials
G-007	Agroprodukt Syne [APS]	Kosova's Golden Spice	€ 41,250.00	15-Jul-11	21-Jul-11	31-Oct-11	€ 36,975	1.9	730 gr.	Finished
G-008	Agrosera	Improve collection capacityor grading and sorting fresh vegetables	€ 19,200.00	6-Jul-11	22-Jul-11	30-Sep-11	€ 19,200	n/a		Finished
G-009	Agrocelina	Saffron Cultivation in 0.5 ha	€ 13,750.00	6-Jul-11	21-Jul-11	30-Jun-12	€ 12,325	0.5	450 gr.	Repeat grant for plantings in 2012
G-010	Sunrise	Anti Hail system for 2 ha	cancelled							
G-011	Eurofruti	HACCP requirements	€ 29,650.00	28-Oct-11	1-Nov-11	29-Mar-12	€ 29,080	n/a	Preparation for HACCP	Finished
G-012	Dielloni-E	Cooling storage for apple and pears	€ 16,689.00	1-Nov-11	3-Nov-11	30-Mar-12	€ 0	n/a	Improved apple storage	Reimbursement of expenses for cooling storage
G-013	IADK	Apple Supervision	€ 33,400.00	8-Nov-11	1-Dec-11	31-Oct-12	€ 10,000	n/a		Supervise planting activities

STATUS OF GRANTS AWARDED FROM I.I.F. @31.03.2012

IIF Ref. #	IIF Awardee	Purpose/Description	Total Amount €	USAID approval	Start Date	End Date	Amount Disbursed	Land Area - if applicable	Actual/Expected Achievements	Follow-up Activity, if any
G-014	Heron & Adea LLC	Apple growers	€ 16,478.00	22-Nov-11	1-Dec-11	31-Oct-12	€ 14,187	1.0		Plant apple rootstocks and the support system
G-015	Me Agro		€ 16,478.00	11-Nov-11	1-Dec-11	31-Oct-12	€ 14,187	1.0		
G-016	Agrounion sh.p.k.		€ 16,478.00	22-Nov-11	1-Dec-11	31-Oct-12	€ 14,187	1.0		
G-017	Agrovizioni		€ 16,478.00	17-Nov-11	1-Dec-11	31-Oct-12	€ 14,187	1.0		
G-018	UVB		€ 16,478.00	22-Nov-11	1-Dec-11	31-Oct-12	€ 14,187	1.0		
G-019	Sofije Veseli		€ 16,478.00	18-Nov-11	1-Dec-11	31-Oct-12	€ 14,187	1.0		
G-020	Agro-Drini	Supervisory table grape	€ 33,686.00	1-Dec-11	7-Dec-11	31-Oct-12	€ 3,602.7	n/a		Supervise planting activities and placement of Y trellising system
G-021	NGO Zeri Bujkut	table grape	€ 46,060.00	7-Dec-11	7-Dec-11	31-Oct-12	€ 46,060	1.7		Table Grape Y trellising system to be distributed to Growers upon arrival from US as In-Kind contribution. Plant Table Grape rootstocks
G-022	Speed Company		€ 27,095.00	7-Dec-11	7-Dec-11	31-Oct-12	€ 27,095	1.0		
G-023	Fehmi Sokoli		€ 40,350.00	7-Dec-11	7-Dec-11	31-Oct-12	€ 40,643	1.5		
G-024	StoneCastle		€ 52,000.00	7-Dec-11	7-Dec-11	31-Oct-12	€ 54,190	2.0		
G-025	IADK	Strawberry supervision	€ 28,000.00	25-Nov-11	8-Dec-11	31-Oct-12	€ 10,000	n/a		Supervise planting and placement of irrigation system activities

STATUS OF GRANTS AWARDED FROM I.I.F. @31.03.2012

IIF Ref. #	IIF Awardee	Purpose/Description	Total Amount €	USAID approval	Start Date	End Date	Amount Disbursed	Land Area - if applicable	Actual/Expected Achievements	Follow-up Activity, if any
G-026	Dudije Bala	Strawberry growers	€ 3,051.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 2,752	0.3		Plant Strawberry plants and the irrigation system. Distribute the plants and support system.
G-027	Zeqir Jahiju		€ 5,085.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 4,587	0.5		
G-028	Avni Shala		€ 6,102.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 5,505	0.6		
G-029	Hetem Balaj		€ 3,051.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 2,752	0.3		
G-030	Lumnije Bislimi		€ 5,085.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 4,587	0.5		
G-031	Selim Balaj		€ 3,051.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 2,752	0.3		
G-032	Me Agro		€ 10,170.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 9,174	1.0		
G-033	Agrovizioni		€ 10,170.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 9,174	1.0		
G-034	KB Horticoop		€ 10,170.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 9,174	1.0		
G-035	Nesim Morina		€ 5,085.00	8-Dec-11	8-Dec-11	31-Oct-12	€ 4,587	0.5		
G-036	NPT Dhrdheza	Nursery strawberry	€ 917.00	21-Dec-11	21-Dec-11	31-Oct-12	€ 917	0.5		Plant Strawberry plants. Distribute the plants.
G-037	Fidanishtja e Godancit		€ 917.00	21-Dec-11	21-Dec-11	31-Oct-12	€ 917	0.5		
G-038	BioLAB	Raspberry supervision	€ 26,525.00	14-Dec-11	15-Dec-11	31-Oct-12	€ 5,000	n/a		Supervise planting and training system activities

STATUS OF GRANTS AWARDED FROM I.I.F. @31.03.2012

IIF Ref. #	IIF Awardee	Purpose/Description	Total Amount €	USAID approval	Start Date	End Date	Amount Disbursed	Land Area - if applicable	Actual/Expected Achievements	Follow-up Activity, if any
G-039	NPT Beni Com	Raspberry growers	€ 4,458.00	19-Dec-11	22-Dec-11	31-Oct-12	€ 3,092	0.5		Plant Raspberry plants and trellising system. Distribute the raspberry plants and instalation of trellising system.
G-040	Minifarma "AgroF&T"		€ 4,458.00	22-Dec-11	22-Dec-11	31-Oct-12	€ 3,092	0.5		
G-041	Association - Vilamet Miker		€ 17,830.00	22-Dec-11	22-Dec-11	31-Oct-12	€ 12,366	2.0		
G-042	NSH Success		€ 4,458.00	22-Dec-11	22-Dec-11	31-Oct-12	€ 3,092	0.5		
G-043	DPZ Ademi		€ 4,458.00	22-Dec-11	22-Dec-11	31-Oct-12	€ 3,092	0.5		
G-044	Bio Food		€ 4,458.00	22-Dec-11	22-Dec-11	31-Oct-12	€ 3,092	0.5		
G-045	KB Rugova		€ 4,458.00	22-Dec-11	22-Dec-11	31-Oct-12	€ 3,092	0.5		
G-046	NTP Juniku	Blueberry growers	€ 26,680.00	23-Dec-11	27-Dec-11	30-Nov-12	€ 21,049	2.0		Plants Blueberry plants. Distribute blueberry plants.
G-047	MOEA LLC		€ 26,680.00	23-Dec-11	27-Dec-11	30-Nov-12	€ 21,049	2.0		
G-048	Nikola's		€ 6,670.00	23-Dec-11	27-Dec-11	30-Nov-12	€ 5,262	0.5		
G-049	NPT Dhredhza	Blueberry nursery	€ 6,670.00	23-Dec-11	27-Dec-11	30-Nov-12	€ 5,262	0.5		
G-050	Fil & Farmer	Completion of a high density apple orchard	€ 21,000.00	31-Jan-12	20-Feb-12	31-Dec-12	€ 19,200	1.1	Fewer apple crop lossess	Purchase In-Kind materials
G-052	INIT Productions	Production of a TV advertisement for the promotion of agriculture in Kosovo	€ 10,000.00	2-Dec-11	2-Dec-11	19-Dec-11	€ 10,000	n/a	45 sec. commercial	Finished

STATUS OF SUBCONTRACTS AWARDED FROM I.I.F. @31.03.2012

IIF Tracking #	IIF Awardee	Purpose/Description	Total Amount €	USAID approval	Start Date	End Date	Amount Disbursed	Land Area - if applicable	Actual/Expected Achievements	Follow-up Activity, if any
FFP-001	Epi Centar	Value Chain Assessment	€ 29,150.00	22-Jun-11	20-Jun-11	21-Jun-11	€ 27,650	n/a	Report	Finished
FFP-003 /1-1	Agro Serra	Asparagus Seedling Production	€ 9,500.00	8-Aug-11	15-Aug-11	31-May-12	€ 4,750	n/a	100,000 asparagus plants for planting in spring 2012	Final payment
FFP-003 /1-2	Fidanishtja Godanci	Asparagus Seedling Production	€ 9,500.00	8-Aug-11	15-Aug-11	31-May-12	€ 4,750	n/a		Final payment
FFP-003 /1-3	Las Pallmas	Asparagus Seedling Production	€ 9,500.00	8-Aug-11	15-Aug-11	31-May-12	€ 4,750	n/a		Final payment
FFP-004	RDC	Lettuce Variety Diversification	€ 13,720.00	15-Jul-11	1-Jul-11	30-Sep-11	€ 13,720	2 ha 8 farmers	100,000 eq. heads €24,000	Finished
FFP-004 Amm no.1	RDC	Lettuce Variety Diversification	€ 0.00	N/A	1-Jul-11	31-Oct-11	€ 0	n/a		Finished
FFP-004 Amm no.2	RDC	Lettuce Variety Diversification	€ 27,230.00	4-Nov-11	4-Nov-11	31-Oct-12	€ 10,892	4 ha 12 farmers	400,000 eq. heads €100,000	Cultivation of lettuce
FFP-005	RDC	Demonstration of New Gherkin Varieties	€ 26,607.00	15-Jul-11	1-Jul-11	30-Sep-11	€ 26,607	3.5 ha 7 farmers	120 tons €48,000	Finished
FFP-005 Amm no.1	RDC	Demonstration of New Gherkin Varieties	€ 0.00	n/a	1-Jul-11	31-Oct-11	€ 0	n/a		Finished
FFP-005 Amm no.2	RDC	Demonstration of New Gherkin Varieties	€ 60,881.00	2-Nov-11	31-Oct-11	31-Oct-12	€ 24,325	12 ha 23 farmers	400 tons €160,000	Distribute the gherkin seeds and other inputs
FFP-006	Patria Group	Design Brief for Collection, Packing and Refrigerated Storage Center	€ 14,950.00	12-Sep-11	1-Sep-11	30-Sep-11	€ 14,950	n/a	3 designs	Finished
FFP-006 Amm no.1	Patria Group	Design Brief for Collection, Packing and Refrigerated Storage Center	€ 6,990.00	8-Dec-12	8-Dec-11	23-Dec-11	€ 6,990	n/a	Revisions +1 new	Finished
FFP-007	RTK	Outreach/Visibility Campaign	€ 31,935.00	30-Dec-11	4-Jan-12	30-Sep-12	€ 0	n/a	16 No. 20 min. slots	Purchase of new camera to improve presentations
FFP-008	Dutch GIS/NAK	TA re organization of Lab Services at MAFRD	€ 20,470.00	12-Jan-12	15-Jan-12	4-Feb-12	€ 20,470	n/a		Services performed

ANNEX 2

INDICATOR RESULTS TO BE REPORTED QUARTERLY

Indicators in the Program Indicator Matrix of the Performance Monitoring Plan which are to be reported Quarterly are shown in the following table.

Results are shown for the first two quarters of FY 2.

IR Ref.	Indicator	Unit	Q1 FY2 Results Achieved	Q2 FY2 Results Achieved	Achieved in FY2 Q1 & Q2	Total FY2 Target	% of FY2 Targets Achieved to date
IR1.1	Number of delivery contracts issued for targeted crops	No.	1	68	69	100	69%
IR1.2	Value of sales resulting from linkages created between farmer, processors and traders as result of USG assistance	\$	\$82,580	\$138,621	\$248,403	\$1.6 million	16%
IR1.3	Number of farmers engaged in target value chains as a result of USG assistance	No.	389	559	559	600	93%
IR1.4	Number of participants in study tours, B2B, market investigation and trade shows	No.	15	37	52	60	87%
IR2.2	Value of Sales /purchases from smallholders for products as a result of USG assistance (FACTS)	No.	\$141,246	\$164,253	\$305,499	\$2.5 million	12%
IR2.3	Number of new technologies and/or management practices introduced as result of USG assistance	No.	4	8	12	6	200%
IR2.4	Number of individuals trained in agriculture productivity through USG assistance (FACTS)	No.	207	542	749	1500	50%
IR2.6	Number of firms receiving USG assistance to invest in improved technologies (FACTS)	No	22	4	26	5	520%
IR2.9	Number of farmers receiving new varieties (including new crops) as result of USG assistance	No.	33	76	109	40	273%
IR3.4	Number of local food inspectors trained	No.	.	13	13	20	65%
IR4.1	Value of lending of program customers for targeted crops and products as result of USG assistance	No.	.	-	-	\$500k	0%
IR4.3	No of SMEs receiving USG (NOA project) assistance to access bank loans or private equity (FACTS)	No.	-	-	-	15	0%
IR4.4	Number of producers in target value chains receiving assistance to access credit	No.	-	34	34	100	34%
IR4.5	Value of grants issued for value chain operators of target crops and products, as result of USG assistance	\$	\$828,145	\$27,737	\$855,882	\$1 million	85%
IR4.6	Number of program customer receiving grants as result of USG assistance (including IIF)	No.	40	1	41	100	41%
IR5.3	Number of donor, GOK and agriculture sector roundtables or other events facilitated by NOA	No.	-	32	32	12	272%